



Congressman Steve Scalise (R-LA), RSC Chairman
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EDA Elimination Act

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On February 28, 2013, Representative Mike Pompeo (R-KS) introduced **H.R. 887**, legislation to **eliminate the Economic Development Administration**. Similar to earmarks, the Administration uses the EDA to advance particular local projects, essentially picking winners and losers by region, industry and community.

In 1965, the **Economic Development Administration (EDA)** was established within the Department of Commerce as part of President Lyndon Johnson's Great Society. Eliminating the EDA was listed by the bipartisan **Simpson-Bowles Deficit Reduction Commission** as part of a plan to save \$200 billion. In 2008, **then-Senator Obama** listed the EDA as "little more than a fund for corporate welfare."

Examples of EDA projects include:

- **\$2,000,000** to begin construction of the UNLV Harry Reid Research and Technology Park in Las Vegas, NV (2008)
- **\$25,000,000** for Global Climate Mitigation Incentive Fund (2010)
- **\$2,000,000** for "culinary amphitheater," wine tasting room, and gift shop in Washington State (2011)
- **\$350,000** to renovate a theater in Colorado (2010)

The EDA is:

- **Not the Role of the Federal Government:** "The federal government has no business in trying to direct economic activity through politicized subsidy vehicles like the EDA." -- Tad DeHaven, CATO Institute.
- **Duplicative:** Despite multiple state, local, and private sector sources of funding for economic development projects, more than 80 federal economic development programs spent \$2.9 billion in 2010.
- **Ineffective:** GAO reports have stated EDA grants "**did not have significant effect**" on the success of projects, produced "**inconclusive**" results, and "**may even detract**" from a more flexible workforce.
- **Wasteful:** An EDA Inspector General study showed 29% of grant money had been wasted due to "various violations of EDA grant requirements such as financial accounting irregularities, conflict of interest, and improper procurement procedures."

Club for Growth, Americans for Prosperity, and Citizens Against Government Waste support this legislation.

For more information or to cosponsor, please contact Jim Richardson in Rep. Pompeo's office at jim.richardson@mail.house.gov or 5-6216.

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